

# Building Energy Disclosure and Reporting Ordinance

Executive Summary



## What the proposed Ordinance does...

- Ensures that building owners are aware of their energy and water use and greenhouse gas emissions.
- Alerts owners of the opportunities to reduce their energy and water use by showing them the range of energy and water use of similar buildings within the city.
- Requires buildings that do not have high energy performance or are not showing continuous improvement to perform an energy audit or similar evaluation every five years to ensure that owners are aware of efficiency opportunities.

### What it does not do...

- Require buildings to achieve any particular level of energy efficiency.
- Penalize buildings based on their energy efficiency; the penalties in the ordinance are only for failing to report.
- Require buildings owners to implement energy efficiency upgrades.
- Hold building owners responsible for tenants' failure to disclose their energy and water use.

## Why Disclose Building Energy Data?

- Reduce Greenhouse Gas Emissions
- Smarter Government
- Energy Efficiency
- Consumer Transparency
- Green Economy

**New York City** 

California

Washington, DC

Seattle

Thus far, two states and seven cities in the U.S. have adopted building energy disclosure laws

Philadelphia

San Francisco

Austin, TX

Washington State

Minneapolis

## Proposed Ordinance Overview

- Leading by example, the City would annually disclose energy and water use in all its facilities beginning in 2013 for the 2012 calendar year.
- All large and medium buildings or groups of buildings would be required to report annual energy use, ENERGY STAR rating (if applicable), water use, and greenhouse gas emissions through ENERGY STAR Portfolio Manager or an equivalent mechanism as approved by the Air Pollution Control Commission.
- The requirement would be phased in over 5 years and would ultimately apply to non-residential buildings 25,000 square feet or greater and residential buildings with 25 or more units.
- The City would make energy and water use per square foot, ENERGY STAR ratings, greenhouse gas emissions, and other identifying and contextual information for individual buildings available online.
- Buildings with ENERGY STAR ratings\* below the 75<sup>th</sup> percentile and not meeting other exemption criteria (to be developed by the city, i.e. high performing buildings that do not qualify for any ENERGY STAR rating or that show continuous improvement) would be required to conduct energy audits or other evaluations every 5 years to identify opportunities for energy efficiency investment. Building owners would not be required to act on the audit.
- Tenants would be required to provide energy and water use data to building owners.
- The development of regulations and implementation of the ordinance would be overseen by the Air Pollution Control Commission.



#### What is the primary purpose of the proposed Ordinance?

The primary goal of the proposed Ordinance is to reduce greenhouse gas emissions from Boston's buildings. Tracking energy and water use is a proven technique that helps buildings owners increase energy and water efficiency. One study found that buildings that used Energy Star Portfolio Manager saw a 2.4 percent average annual reduction in their energy use between 2008 and 2011. The proposed Ordinance is one element of the <a href="City's strategy">City's strategy</a> to reach Mayor Menino's greenhouse gas reduction goal. The City will use the information reported through the Ordinance to better design technical assistance and outreach programs that help buildings improve their efficiency.

#### Will all buildings be required to perform energy evaluations?

No. Only buildings that do not have high energy performance or are not showing significant improvement will be required to get an energy audit or similar measure every five years. These actions will help building owners learn about efficiency opportunities; however, there is no requirement to take actions recommended by the audit. The City will develop exemption criteria for the audit that recognize the many ways that building owners can improve their buildings.

#### Are buildings required to achieve a certain level of energy efficiency?

No, the ordinance only requires *reporting*. It does not require that a building reach any particular level of energy efficiency.

#### Where did the idea for this Ordinance come from?

The ordinance was first recommended in 2010 by the Boston Climate Action Leadership Committee, a task force that included representatives from many sectors of the business community. Two states and seven major U.S. cities have implemented similar laws.

#### Will individual tenants' data be reported?

No, building owners will only be disclosing whole-building energy and water use.

#### Will whole building direct reporting of data be available?

The City is working with all the utilities in the city and with the Massachusetts Public Utility Commission to facilitate direct reporting by utilities of whole-building data directly to owners or to EPA's Portfolio Manager, the primary tool for collecting data. This would eliminate the need to get data from individual tenants.

#### Are building owners responsible for collecting energy and water data from their tenants?

If an owner cannot obtain whole-building data directly from utilities, the proposed Ordinance states that building owners may request data from their tenants, and the tenants are required to supply it. If the tenant fails to report the data, the building owner is still required to report data for the rest of the building, but the owner is not held responsible for a tenant's failure to report data.

#### What are the fines associated with the proposed Ordinance for?

The ordinance requires the reporting of data and, in some cases, the performing of energy audits or other evaluation measures. There are potential fines only for failure to take these steps. There are no fines based on a building's energy or water performance, whatever its levels. Violation fines range from \$25 per day for tenants of residential buildings, up to \$250 per day for owners of large buildings.

#### What is Portfolio Manager?

<u>Portfolio Manager</u> is a free, interactive energy management tool created by the U. S. Environmental Protection Agency. It allows building owners to track and assess energy and water consumption across their entire portfolio of buildings in a secure online environment. Portfolio Manager can assist with setting investment priorities, identifying under-performing buildings, and verifying efficiency improvements. An <u>upgrade</u> coming this summer will make the tool even more user-friendly.

### Proposed Schedule

